

**ASSEMBLY BILL**

**No. 1361**

---

**Introduced by Assembly Member Perea**

February 18, 2011

---

An act to amend Sections 394.27, 394.4, 394.7, 454.1, 1822, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2842.4, 7000, and 9607 of the Public Utilities Code, relating to electrical corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1361, as introduced, Perea. Electrical corporations.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, as defined.

This bill would correct certain existing references in the Public Utilities Code by revising “electric corporation” to “electrical corporation,” and would make various other technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 394.27 of the Public Utilities Code is
- 2 amended to read:
- 3 394.27. When a customer files a claim with an electrical
- 4 corporation for damages to property resulting from the curtailment
- 5 of electric service due to the failure of the electrical corporation
- 6 to reasonably provide service or restore service within a reasonable
- 7 time after a fire, flood, earthquake, other natural disaster, or act of

1 God, the ~~electric~~ *electrical* corporation shall inform the customer  
2 that ~~such~~ *the* claim may be pursued in small claims court or other  
3 judicial courts, depending on the amount of the claim.

4 SEC. 2. Section 394.4 of the Public Utilities Code is amended  
5 to read:

6 394.4. Rules that implement the following minimum standards  
7 shall be adopted by the commission for electric service providers  
8 offering electrical services to residential and small commercial  
9 customers and the governing body of a public agency offering  
10 electrical services to residential and small commercial customers  
11 within its jurisdiction:

12 (a) Confidentiality: Customer information shall be confidential  
13 unless the customer consents in writing. This shall encompass  
14 confidentiality of customer specific billing, credit, or usage  
15 information. This requirement shall not extend to disclosure of  
16 generic information regarding the usage, load shape, or other  
17 general characteristics of a group or rate classification, unless the  
18 release of that information would reveal customer specific  
19 information because of the size of the group, rate classification,  
20 or nature of the information.

21 (b) Physical disconnects and reconnects: Only an electrical  
22 corporation, or a publicly owned electric utility, that provides  
23 physical delivery service to the affected customer shall have the  
24 authority to physically disconnect or reconnect a customer from  
25 the transmission or distribution grid. Physical disconnection by  
26 electrical corporations subject to the commission's jurisdiction  
27 shall occur only in accordance with protocols established by the  
28 commission. Physical disconnection by publicly owned electric  
29 utilities shall occur only in accordance with protocols established  
30 by the governing board of the local publicly owned electric utility.

31 (c) Change in providers: Upon adequate notice supplied by a  
32 electric service provider to the ~~electric~~ *electrical* corporation or  
33 local publicly owned electric utility providing physical delivery  
34 service, customers who are eligible for direct access may change  
35 their energy supplier. Energy suppliers may charge for this change,  
36 provided that any fee or penalty charged by the supplier associated  
37 with early termination of service, shall be disclosed in that contract  
38 or applicable tariff.

39 (d) Written notices: Notices describing the terms and conditions  
40 of service as described in Section 394.5, service agreements,

1 notices of late payment, notices of discontinuance of service, and  
2 disconnection notices addressed to residential and small  
3 commercial customers shall be easily understandable, and shall  
4 be provided in the language in which the electric service provider  
5 offered the services.

6 (e) Billing: All bills shall have a standard bill format, as  
7 determined by the commission or the governing body, and shall  
8 contain sufficient detail for the customer to recalculate the bill for  
9 accuracy. Any late fees shall be separately stated. Each electric  
10 service provider shall provide on all customer bills a phone number  
11 by which customers may contact the electric service provider to  
12 report and resolve billing inquiries and complaints. An electric  
13 service provider contacted by a customer regarding a billing dispute  
14 shall advise the customer at the time of the initial contact that the  
15 customer may file a complaint with the commission if its dispute  
16 is not satisfactorily resolved by the electric service provider.

17 (f) Meter integrity: An electric customer shall have a reasonable  
18 opportunity to have its meter tested to ensure the reasonable  
19 accuracy of the meter. The commission or governing body shall  
20 determine who is responsible for the cost of that testing.

21 (g) Customer deposits: Electric service providers may require  
22 customer deposits before commencing service, but in no event  
23 shall the deposit be more than the estimated bill for the customer  
24 for a three-month period.

25 (h) Additional protections: The commission or the governing  
26 body may adopt additional residential and small commercial  
27 consumer protection standards that are in the public interest.

28 SEC. 3. Section 394.7 of the Public Utilities Code is amended  
29 to read:

30 394.7. (a) The commission shall maintain a list of residential  
31 and small commercial customers who do not wish to be solicited  
32 by telephone, by an ~~electric~~ *electrical* corporation, marketer,  
33 broker, or aggregator for electric service, to subscribe to or change  
34 their electric service provider. The commission shall not assess a  
35 charge for inclusion of a customer on the list. The list shall be  
36 updated periodically, but no less than quarterly.

37 (b) The list shall include sufficient information for ~~electric~~  
38 *electrical* corporations, marketers, brokers, or aggregators of  
39 electric service to identify customers who do not wish to be  
40 solicited, including a customer's address and telephone number.

1 The list shall be made accessible electronically from the  
2 commission to any party regulated as an ~~electric~~ *electrical*  
3 corporation or registered at the commission as an electric marketer,  
4 broker, or aggregator of electric service.

5 (c) An ~~electric~~ *electrical* corporation, marketer, broker, or  
6 aggregator of electric service shall not solicit, by telephone, any  
7 customer on the list prepared pursuant to subdivision (a). Any  
8 ~~electric~~ *electrical* corporation, marketer, broker, or aggregator of  
9 electric service, or the representative of an ~~electric~~ *electrical*  
10 corporation, marketer, broker, or aggregator of electric service,  
11 who solicits any customer on the list prepared pursuant to  
12 subdivision (a) more than once shall be liable to the customer for  
13 twenty-five dollars (\$25) for each contact in violation of this  
14 subdivision.

15 (d) This section shall not apply to the telephone verification  
16 required pursuant to Section 366.5.

17 SEC. 4. Section 454.1 of the Public Utilities Code is amended  
18 to read:

19 454.1. (a) Except as provided in subdivision (b), if a customer  
20 with a maximum peak electrical demand in excess of 20 kilowatts  
21 located or planning to locate within the service territory of an  
22 electrical corporation receives a bona fide offer for electric service  
23 from an irrigation district at rates less than the electrical  
24 corporation's tariffed rates, the electrical corporation may discount  
25 its noncommodity rates, but may not discount its noncommodity  
26 rates below its distribution marginal cost of serving that customer.  
27 For purposes of this subdivision, the costs of the electric  
28 commodity shall be excluded from both the irrigation district and  
29 ~~electric~~ *electrical* corporation's rates. The electrical corporation  
30 may recover any difference between its tariffed and discounted  
31 service from its remaining customers, allocated as determined by  
32 the commission. However, the reallocation ~~may~~ *shall* not increase  
33 rates to its remaining customers by any greater amount than the  
34 rates would be increased if the customer had taken electric  
35 distribution service from the irrigation district and the irrigation  
36 district had paid the charge established in subdivision (e) of Section  
37 9607. Further, there shall be a firewall preventing the reallocation  
38 of ~~such~~ *these* differences resulting from discounting to residential  
39 customers or to commercial customers with maximum peak  
40 demands not in excess of 20 kilowatts. The commission shall

1 review the discounts provided under this section by each electrical  
2 corporation and report to the Legislature not later than January 15,  
3 2003. The review shall include an assessment of the effectiveness  
4 of the discount levels and the rate impacts to customers of the  
5 discounts. The commission shall include in its report a  
6 recommendation of any changes that should be made to the  
7 discount levels in light of other commission approved discount  
8 programs.

9 (b) Subdivision (a) does not apply to a cumulative 75 megawatts  
10 of load served by the Merced Irrigation District, determined as  
11 follows:

12 (1) The load is located within the boundaries of Merced  
13 Irrigation District, as those boundaries existed on December 20,  
14 1995, together with the territory of Castle Air Force Base, which  
15 was located outside the district on that date.

16 (2) For purposes of this section, a megawatt of load shall be  
17 calculated in accordance with the methodology established by the  
18 California Energy Resource Conservation and Development  
19 Commission in its Docket No. 96-IRR-1890.

20 (c) Subdivision (a) applies to the load of customers that move  
21 to the areas described in paragraph (1) of subdivision (b) after  
22 December 31, 2000, and ~~such~~ *that* load shall be excluded from the  
23 calculation of the 75 megawatts in subdivision (b).

24 (d) If an electrical corporation seeks to apply the discounts  
25 permitted under subdivision (a) within the geographic area  
26 described in subdivision (b) of Section 9610, the electrical  
27 corporation's resulting rate for distribution service ~~may~~ *shall* not  
28 be less than 120 percent of the electrical corporation's marginal  
29 distribution cost of serving that customer.

30 SEC. 5. Section 1822 of the Public Utilities Code is amended  
31 to read:

32 1822. (a) Any computer model that is the basis for any  
33 testimony or exhibit in a hearing or proceeding before the  
34 commission shall be available to, and subject to verification by,  
35 the commission and parties to the hearing or proceedings to the  
36 extent necessary for cross-examination or rebuttal, subject to  
37 applicable rules of evidence, except that verification is not required  
38 for any electricity demand model or forecast prepared by the ~~State~~  
39 ~~Energy Resources Conservation and Development~~ Commission  
40 pursuant to Section 25309 or 25402.1 of the Public Resources

1 Code and approved and adopted after a hearing during which  
2 testimony was offered subject to cross-examination. The  
3 commission shall afford each of these electricity demand models  
4 or forecasts the evidentiary weight it determines appropriate.  
5 Nothing in this subdivision ~~requires~~ *does not require* the ~~State~~  
6 ~~Energy Resources Conservation and Development~~ Commission  
7 to approve or adopt any electricity demand model or forecast.

8 (b) Any testimony presented in a hearing or proceeding before  
9 the commission that is based in whole, or in part, on a computer  
10 model shall include a listing of all the equations and assumptions  
11 built into the model.

12 (c) Any data base that is used for any testimony or exhibit in a  
13 hearing or proceeding before the commission shall be reasonably  
14 accessible to the commission staff and parties to the hearing or  
15 proceeding to the extent necessary for cross-examination or  
16 rebuttal, subject to applicable rules of evidence, as applied in  
17 commission proceedings.

18 (d) The commission shall adopt rules and procedures to meet  
19 the requirements specified in subdivisions (a), (b), and (c). These  
20 rules shall include procedural safeguards that protect data bases  
21 and models not owned by the public utility.

22 (e) The commission shall establish appropriate procedures for  
23 determining the appropriate level of compensation for a party's  
24 access.

25 (f) Each party shall have access to the computer programs and  
26 models of each other party to the extent provided by Section 1822.  
27 The commission shall not require a utility to provide a remote  
28 terminal or other direct physical link to the computer systems of  
29 a utility to a third party.

30 (g) The commission shall verify, validate, and review the  
31 computer models of any ~~electric~~ *electrical* corporation that are  
32 used for the purpose of planning, operating, constructing, or  
33 maintaining the corporation's electricity transmission system, and  
34 that are the basis for testimony and exhibits in hearings and  
35 proceedings before the commission.

36 (h) The transmission computer models shall be available to, and  
37 subject to verification by, each party to a commission proceeding  
38 in accordance with subdivision (a) of Section 1822, and regulations  
39 adopted pursuant to subdivision (d) of Section 1822.

SEC. 6. Section 2791 of the Public Utilities Code is amended to read:

2791. (a) The owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents may transfer ownership and operational responsibility to the gas or ~~electric~~ *electrical* corporation providing service in the area in which the park or community is located pursuant to this chapter, or as the park or community owner and the serving gas or ~~electric~~ *electrical* corporation mutually agree.

(b) Costs, including both costs related to transfer procedures and costs related to construction, related to the transfer of ownership process, whether or not resulting in a transfer of ownership to the serving gas or ~~electric~~ *electrical* corporation, shall not be passed through to the park or community residents. Costs related to the transfer of ownership process, whether or not resulting in a transfer of ownership to the serving gas or ~~electric~~ *electrical* corporation, shall not be passed through to the gas or ~~electric~~ *electrical* corporation, except as otherwise provided in this chapter.

(c) Residents of mobilehome parks and manufactured housing communities constructed after January 1, 1997, shall be individually metered and served by gas and electric distribution facilities owned, operated, and maintained by the gas or ~~electric~~ *electrical* corporation providing the service in the area where the new park or community is located consistent with the commission's orders regarding unbundling, aggregation, master-metering, and selection of suppliers by residential customers. Each gas and ~~electric~~ *electrical* corporation shall cooperate with the owner of any park or community constructed after January 1, 1997, to ensure timely and expeditious installation of the gas and electric distribution system and to eliminate any delay in the design, construction, permitting, and operation of the gas and electric system in the park or community.

SEC. 7. Section 2792 of the Public Utilities Code is amended to read:

2792. (a) Upon receipt of a written notice of intent to transfer from the mobilehome park or manufactured housing community owner, the gas or ~~electric~~ *electrical* corporation shall within 90 days do all of the following:

1 (1) Meet with the park or community owner to describe the  
2 procedures involved in a transfer of ownership and operation  
3 responsibility.

4 (2) Perform a preliminary review of the gas or electric system,  
5 or both, in the park or community.

6 (3) Inspect documentation provided by the park or community  
7 owner of the construction, operation, and condition of the gas or  
8 electric system, or both.

9 (4) Advise the park or community owner concerning the general  
10 condition of the plant and equipment, along with a preliminary  
11 opinion concerning the extent of construction work or other activity  
12 necessary to comply with Section 2794.

13 (5) Offer a preliminary nonbinding estimate of the cost of  
14 transfer.

15 (6) Offer the park or community owner a preliminary nonbinding  
16 cost estimate to perform an engineering evaluation and estimate  
17 the construction work and equipment replacement to be performed  
18 by the gas or ~~electric~~ *electrical* corporation at the owner's expense.

19 (b) The gas or ~~electric~~ *electrical* corporation shall develop the  
20 cost estimate for the engineering evaluation in good faith using  
21 the same methodology as is used for similar projects. The  
22 preliminary cost estimate shall be effective for a minimum of 90  
23 days. The gas or ~~electric~~ *electrical* corporation shall give the owner  
24 timely notice of any increase in the estimated cost of the  
25 engineering evaluation.

26 (c) During 1997, gas and ~~electric~~ *electrical* corporations shall  
27 make a good faith effort to respond within 90 days to the notice  
28 provided in subdivision (a).

29 (d) The gas or ~~electric~~ *electrical* corporation may charge a fee  
30 for the initial inspection not to exceed one hundred fifty dollars  
31 (\$150).

32 SEC. 8. Section 2793 of the Public Utilities Code is amended  
33 to read:

34 2793. (a) Upon receipt from the park or community owner of  
35 a deposit representing the gas or ~~electric~~ *electrical* corporation's  
36 estimated cost of the engineering evaluation, the gas or ~~electric~~  
37 *electrical* corporation ~~shall~~, within 90 days, *shall* do all of the  
38 following:

39 (1) Develop an engineering plan for bringing the gas or electric  
40 system to the standard described in Section 2794, incorporating



1 all relevant documentation including plans, drawings, engineering  
2 studies, and other existing documentation provided by the park or  
3 community owner, and considering incorporation of all portions  
4 of the gas or electric system found to be used, useful, and  
5 compatible.

6 (2) Develop an appraisal of the value to the gas or ~~electric~~  
7 *electrical* corporation of the physical plant and equipment found  
8 to be used, useful, and compatible that comprise the gas or electric  
9 system, or both, to be transferred, including an estimate of the  
10 remaining useful life of the gas or electric system. The value to  
11 the gas or ~~electric~~ *electrical* corporation shall take into  
12 consideration the expenditures by the park or community owner  
13 to comply with the criteria established in Section 2794.

14 (3) Present a proposal, in sufficient detail to serve as a bid  
15 document for the transfer of ownership of the system to the gas or  
16 ~~electric~~ *electrical* corporation.

17 (b) The proposal may be based on either of the following  
18 approaches or as the park or community owner and the gas or  
19 ~~electric~~ *electrical* corporation mutually agree:

20 (1) The park or community owner is responsible for all  
21 construction and equipment replacement activity, if any, at the  
22 park or community owner's expense less any credits or allowances,  
23 if any, including credits or allowances based on incremental  
24 increases in the gas or ~~electric~~ *electrical* corporation's revenues  
25 associated with the park or community owner's investment in the  
26 gas or electric system. The construction and equipment replacement  
27 and the credits and allowances shall be based on the principles  
28 established in the gas or ~~electric~~ *electrical* corporation's line and  
29 service extension rules, if applicable.

30 (2) The gas or ~~electric~~ *electrical* corporation shall pay the park  
31 or community owner for the appraised value to the gas or ~~electric~~  
32 *electrical* corporation of any gas or electric distribution facilities  
33 found to be used, useful, and compatible. If any new facilities are  
34 necessary, the park or community owner shall be responsible for  
35 the costs of the excavation, installation of substructures, conduit  
36 and meter panels, and surface repairs. Except as provided in  
37 paragraph (4) of subdivision (c), the gas or ~~electric~~ *electrical*  
38 corporation shall be responsible for the costs of any additional  
39 construction and equipment replacement, including cabling and  
40 transformers.

1 (c) The proposal shall include the following:

2 (1) A description of construction and equipment replacement  
3 activity, if any, to be accomplished at the park or community  
4 owner's expense.

5 (2) Requirements for any additional provisions or rights for the  
6 construction or maintenance of public utility facilities on park or  
7 community premises, including easements and rights-of-way  
8 acceptable to the gas or ~~electric~~ *electrical* corporation.

9 (3) Any specific requirements or costs, or both, with respect to  
10 the presence of used and useful materials or equipment that are  
11 nonstandard, including, but not limited to, inventory requirements,  
12 specialized equipment requirements, or specialized personnel or  
13 training.

14 (4) Any specific requirements or costs, or both, with respect to  
15 the presence of exceptional construction conditions or operation  
16 and maintenance conditions.

17 (d) If the actual cost of the engineering evaluation is greater  
18 than the gas or ~~electric~~ *electrical* corporation estimate, the park or  
19 community owner shall pay the gas or ~~electric~~ *electrical*  
20 corporation the difference within 30 days of receipt of notice. If  
21 the actual cost of the engineering evaluation is less than the deposit,  
22 the gas or ~~electric~~ *electrical* corporation shall pay the park or  
23 community owner the difference within 30 days. The content of  
24 the proposal shall become the property of the park or community  
25 owner.

26 (e) Within 90 days of receipt of the proposal for transfer of  
27 ownership, a park or community owner may do any of the  
28 following:

29 (1) Present objections to the gas or ~~electric~~ *electrical* corporation  
30 in writing for resolution and may require mediation of the  
31 commission if the parties are unable to resolve the objection.

32 (2) Decline to proceed, without prejudice to the right to present  
33 a new notice at any future date.

34 (3) Accept the proposal and contract with the gas or ~~electric~~  
35 *electrical* corporation for completion of the construction work and  
36 equipment replacement, if any, or the acquisition of the gas or  
37 electric system, or both.

38 (4) Accept the proposal and contract with an approved third  
39 party for completion of the construction work and equipment

1 replacement, if any, in accordance with the applicable gas or  
2 ~~electric~~ *electrical* corporation applicant installation rules.

3 (f) Any new facilities provided by the gas or ~~electric~~ *electrical*  
4 corporation to extend distribution or service facilities from the  
5 existing gas or ~~electric~~ *electrical* corporation system within the  
6 park to previously undeveloped locations shall be provided in  
7 accordance with line extension rules and service extension rules  
8 contained in gas or ~~electric~~ *electrical* corporation tariffs filed with  
9 the commission, including any and all free extensions, allowances,  
10 and advances subject to refund.

11 (g) Upon completion of construction work and equipment  
12 replacement, if any, receipt of appropriate inspection approval  
13 from the gas or ~~electric~~ *electrical* corporation and authorities  
14 having jurisdiction for the inspections, and completion of all  
15 financial transactions among the parties, the park or community  
16 owner shall transfer and the gas or ~~electric~~ *electrical* corporation  
17 shall acquire ownership and operational responsibility for the gas  
18 or electric system.

19 (h) Upon receipt of the proposal described in paragraph (3) of  
20 subdivision (a), the park or community owner shall notify the park  
21 residents concerning the pendency of a transfer process request  
22 and the provisions of the transfer process law.

23 SEC. 9. Section 2794 of the Public Utilities Code is amended  
24 to read:

25 2794. (a) A gas or electric system shall be considered  
26 acceptable for transfer if it is in compliance with the following  
27 criteria:

28 (1) It is capable of providing the end users a safe and reliable  
29 source of gas or electric service.

30 (2) It meets the commission's general orders, is compatible,  
31 and, in the case of new construction, meets the gas or ~~electric~~  
32 *electrical* corporation's design and construction standards insofar  
33 as they are related to safety and reliability. The parties may waive  
34 these requirements by mutual agreement and, where necessary,  
35 with commission approval. The deviations as are agreed upon may  
36 be reflected in the purchase price.

37 (3) It is capable of serving the customary expected load in the  
38 park or community determined in accordance with a site-specific  
39 study, studies of comparable parks or communities, industry

standards, and the gas or ~~electric~~ *electrical* corporation's rules as approved by the commission.

(b) As used in this section, "customary expected load" means the anticipated level of service demanded by the dwelling units in the park or community. The park or community owner shall not be responsible for betterments or improvements to the gas or ~~electric~~ *electrical* corporation's distribution system facilities or operations that do not benefit the park or community.

(c) Satisfaction of the criteria shall not require any particular system architecture or replacement of used and useful equipment, plant, or facilities, except as needed to comply with subdivision (a). Equipment, facilities, or plant that are part of the existing gas or electric system shall be considered compatible unless their presence in the system would cause substantial increase in the frequency or duration of outages in the case of failure or emergency, or they have no remaining useful life. Pursuant to subdivision (c) of Section 2793, equipment, facilities, or plant that require special training for the gas or ~~electric~~ *electrical* corporation's employees, or require the gas or ~~electric~~ *electrical* corporation to maintain inventories of nonstandard equipment may be considered compatible, but their presence may be reflected in the appraised value or the cost imposed on the park or community owner.

SEC. 10. Section 2795 of the Public Utilities Code is amended to read:

2795. The park or community owner and the gas or ~~electric~~ *electrical* corporation shall develop a cost for the transfer of the gas or electric system that reflects the factors in Section 2793, indemnity and liability issues, and any other factors as the parties may mutually agree upon, and to which the gas or ~~electric~~ *electrical* corporation's ratepayers are indifferent. The parties may agree on a schedule for phasing in facilities to meet expected load increases and betterments, and the costs associated with those activities.

SEC. 11. Section 2796 of the Public Utilities Code is amended to read:

2796. (a) During the pendency of a transfer request, the owner of the park or community shall be responsible for the continued maintenance to preserve the integrity of the park or community gas or electric system and safe and reliable operation of the park or community system in accordance with applicable laws.

(b) During the pendency of a transfer request the owner of the park or community shall be liable for injury and damage resulting from operation of the submetered gas and electric system. After transfer the gas or ~~electric~~ *electrical* corporation shall assume responsibility for operation of the gas or electric system and provision of service to residents of the park or community and shall assume liability for any future injury or damage resulting from operation of the gas or electric system except with respect to defects known to the park or community owner and not disclosed to the gas or ~~electric~~ *electrical* corporation during the transfer of ownership process.

SEC. 12. Section 2797 of the Public Utilities Code is amended to read:

2797. The commission shall permit the gas or ~~electric~~ *electrical* corporation to recover in its revenue requirement and rates all costs to acquire, improve, upgrade, operate, and maintain transferred mobilehome park or manufactured housing community gas or electric systems.

SEC. 13. Section 2798 of the Public Utilities Code is amended to read:

2798. The commission shall adopt a standard form of agreement for transfer of gas and electric distribution facilities in mobilehome parks and manufactured housing communities that shall be the basis for expedited approval of the transfers. The contract shall be based on this chapter, the regulations of the commission, and on gas or ~~electric~~ *electrical* corporation rules and regulations, as approved by the commission.

SEC. 14. Section 2799 of the Public Utilities Code is amended to read:

2799. (a) The mobilehome park or manufactured housing community owner ~~may~~, by written notice, *may* stop the transfer process at any time. Within 60 days of delivery to the park or community owner of an itemized bill, the owner shall reimburse the gas or ~~electric~~ *electrical* corporation for all costs incurred through the date notice is provided.

(b) At any time during the transfer of ownership process, either party may apply to the commission for informal mediation and resolution of any issue, finding, determination, or delay in the conversion process.

(c) If the initiation of the transfer process does not result in a transfer of the park or community owner's gas or electric system to the gas or ~~electric~~ *electrical* corporation, all information, data, reports, studies, and proposals shall be retained by the gas or ~~electric~~ *electrical* corporation for a period of five years or offered to the park or community owner. Prior to disposal of the records, the gas or ~~electric~~ *electrical* corporation shall offer them to the park or community owner, except that the gas or ~~electric~~ *electrical* corporation shall not be required to provide proprietary information to the park or community owner.

SEC. 15. Section 2842.4 of the Public Utilities Code is amended to read:

2842.4. (a) The commission ~~shall~~, for each electrical corporation, *shall* establish a pay-as-you-save pilot program for eligible customers.

(b) For the purposes of this section, an "eligible customer" means a customer of an electrical corporation that meets the following criteria:

(1) The customer uses a combined heat and power system with a generating capacity of not more than 20 megawatts that is in compliance with Section 2843.

(2) The customer is any of the following:

(A) A nonprofit organization described in Section 501(c) (3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c) (3)), that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)).

(B) A federal, state, or local government facility.

(c) The pilot program shall enable an eligible customer to finance all of the upfront costs for the purchase and installation of a combined heat and power system by repaying those costs over time through on-bill financing at the difference between what an eligible customer would have paid for electricity and the actual savings derived for a period of up to 10 years.

(d) The commission shall ensure that the reasonable costs of the electrical corporation associated with the pilot program are recovered.

(e) All costs of the pay-as-you-save program or financing mechanisms shall be borne solely by the combined heat and power generators that use the program or financing mechanisms, and the commission shall ensure that the costs of the program are not

1 shifted to the other customers or classes of customers of the  
2 electrical corporation.

3 (f) Each ~~electric~~ *electrical* corporation shall make on-bill  
4 financing available to eligible customers until the statewide  
5 cumulative rated generating capacity from pilot program combined  
6 heat and power systems in the service territories of the three largest  
7 electrical corporations in the state reaches 100 megawatts. An  
8 electrical corporation shall only be required to participate in the  
9 pilot program until it meets its proportionate share of the  
10 100-megawatt limitation, based on the percentage of its peak  
11 demand to the total statewide peak demand within the service  
12 territories of all electrical corporations.

13 (g) An approval made by the Department of Finance for a state  
14 agency to purchase, lease, or otherwise acquire a combined heat  
15 and power facility that would be financed through the  
16 pay-as-you-save pilot program, ~~may~~ *shall* not be made sooner than  
17 30 days after written notification thereof is provided to the  
18 Chairperson of the Senate Committee on Budget and Fiscal  
19 Review, the Chairperson of the Assembly Committee on Budget,  
20 and the Chairperson of the Joint Legislative Budget Committee,  
21 or not sooner than whatever lesser time the Chairperson of the  
22 Joint Legislative Budget Committee may determine.

23 SEC. 16. Section 7000 of the Public Utilities Code is amended  
24 to read:

25 7000. (a) For purposes of this chapter, a utility shall mean all  
26 of the following:

- 27 (1) An ~~electric~~ *electrical* corporation.  
28 (2) A water corporation.  
29 (3) A telephone corporation.  
30 (4) A telecommunications carrier, as defined in Section 153 of  
31 Title 47 of the United States Code.  
32 (5) A gas corporation.  
33 (6) A local publicly owned electric utility and a publicly owned  
34 gas utility.  
35 (7) A special district that owns or operates utilities.  
36 (b) This chapter shall also apply to the following entities:  
37 (1) A cable television corporation.  
38 (2) A cable operator, as defined in Section 522 of Title 47 of  
39 the United States Code.

1 SEC. 17. Section 9607 of the Public Utilities Code is amended  
2 to read:

3 9607. (a) The intent of this section is to avoid cost-shifting to  
4 customers of an electrical corporation resulting from the transfer  
5 of distribution services from an electrical corporation to an  
6 irrigation district.

7 (b) Except as otherwise provided in this section and Section  
8 9608, and notwithstanding any other provision of law, an irrigation  
9 district that offered electric service to retail customers as of January  
10 1, 1999, ~~may~~ *shall* not construct, lease, acquire, install, or operate  
11 facilities for the distribution or transmission of electricity to retail  
12 customers located in the service territory of an electrical  
13 corporation providing electric distribution services, unless the  
14 district has first applied for and received the approval of the  
15 commission and implements its service consistent with the  
16 commission's order. The commission shall find that service to be  
17 in the public interest and shall approve the request of a district to  
18 provide distribution or transmission of electricity to retail customers  
19 located in the service territory of an electrical corporation providing  
20 electric distribution service if, after notice and hearing, the  
21 commission determines all of the following:

22 (1) The district will provide universal service to all retail  
23 customers who request service within the area to be served, at  
24 published tariff rates and on a just, reasonable, and  
25 nondiscriminatory basis, comparable to that provided by the current  
26 retail service provider.

27 (2) If the area the district is proposing to serve is either of the  
28 following:

29 (A) Is within the district's boundaries but less than the entire  
30 district, the area to be served includes a percentage of residential  
31 customers and small customers, based on load, comparable to the  
32 percentage of residential and small customers in the district, based  
33 on load.

34 (B) Includes territory outside the district's boundaries, in which  
35 case the territory outside the district's boundaries must include a  
36 percentage of residential customers and small customers, based  
37 on load, comparable to the percentage of residential and small  
38 customers in the county or counties where service is to be provided,  
39 based on load.



1 (3) Service by the district will be consistent with the intent of  
2 the state to avoid economic waste caused by duplication of facilities  
3 as set forth in Section 8101.

4 (4) Service by the district will include reasonable mitigation of  
5 any adverse effects on the reliability of an existing service by the  
6 electrical corporation.

7 (5) The district has established, funded, and is carrying out  
8 public purpose and low-income programs comparable to those  
9 provided by the current electric retail service provider.

10 (6) That district's tariffed electric rates, exclusive of commodity  
11 costs, will be at least 15 percent below the tariffed electric rates,  
12 exclusive of commodity costs and nonbypassable charges under  
13 Sections 367, 368, 375, 376, and 379, of the electrical corporation  
14 for comparable services.

15 (7) Service by the district is in the public interest.

16 (c) An irrigation district that obtains the approval of the  
17 commission under this section to serve an area shall prepare an  
18 annual report available to the public on the total load and number  
19 of accounts of residential, low-income, agricultural, commercial,  
20 and industrial customers served by the irrigation district in the  
21 approved service area.

22 (d) The commission shall have jurisdiction to resolve and  
23 adjudicate complaint cases brought against an irrigation district  
24 that offered electric service to retail customers as of January 1,  
25 1999, by an interested party where the complaint concerns retail  
26 electric service outside the boundaries of the district and within  
27 the service territory of an electrical corporation. Nothing in this  
28 section grants the commission jurisdiction to adjudicate complaint  
29 cases involving retail electric service by an irrigation district inside  
30 its boundaries or inside an irrigation district's exclusive service  
31 territory.

32 (e) Any project involving electric transmission or distribution  
33 facilities to be constructed or installed by an irrigation district to  
34 serve retail customers located in the service territory of an electrical  
35 corporation providing electric distribution services shall comply  
36 with the California Environmental Quality Act, (Division 13  
37 (commencing with Section 21000)) of the Public Resources Code.  
38 The county in which the construction or installation is to occur  
39 shall act as the lead agency. If a project involves the construction  
40 or installation of electric transmission or distribution facilities in

1 more than one county, the county where the majority of the  
2 construction is anticipated to occur shall act as the lead agency.

3 (f) An irrigation district may not offer service to customers  
4 outside of its district boundaries before offering service to all  
5 customers within its district boundaries.

6 (g) This section does not apply to electric distribution service  
7 provided by Modesto Irrigation District to those customers or  
8 within those areas described in subdivisions (a), (b), and (c) of  
9 Section 9610.

10 (h) ~~The provisions of this~~ *This* section shall not apply to (1) a  
11 cumulative 90 megawatts of load served by the Merced Irrigation  
12 District that is located within the boundaries of Merced Irrigation  
13 District, as those boundaries existed on December 20, 1995,  
14 together with the territory of Castle Air Force Base which was  
15 located outside the District on that date, or (2) electric load served  
16 by the District which was not previously served by an ~~electric~~  
17 *electrical* corporation that is located within the boundaries of  
18 Merced Irrigation District, as those boundaries existed on  
19 December 20, 1995, together with the territory of Castle Air Force  
20 Base, which was located outside the District on that date.

21 (i) For purposes of this section, a megawatt of load shall be  
22 calculated in accordance with the methodology established by the  
23 California Energy Resource Conservation and Development  
24 Commission in its Docket No. 96-IRR-1890, but the 90 megawatts  
25 shall not include electrical usage by customers that move to the  
26 areas described in paragraph (1) after December 31, 2000.

27 (j) Subdivision (a) of this section shall not apply to the  
28 construction, modification, lease, acquisition, installation, or  
29 operation of facilities for the distribution or transmission of  
30 electricity to customers electrically connected to a district as of  
31 December 31, 2000, or to other customers who subsequently locate  
32 at the same premises.

33 (k) In recognition of contractual arrangements and settlements  
34 existing as of June 1, 2000, this section does not apply to the  
35 acquisition or operation of the electric distribution facilities that  
36 are the subject of the Settlement Agreement dated May 1, 2000,  
37 between Pacific Gas and Electric Company and the San Joaquin  
38 Irrigation District.

- 1     *(l)* For purposes of this section, retail customers do not include
- 2     an irrigation district's own electric load being served of retail by
- 3     an electrical corporation.

O